



## *Celebrating the DON IT Umbrella Program's 15th Birthday with Barbara Johnson, Umbrella Program Manager and Floyd Groce, Department of the Navy Representative and Co-Chair of the ESI Working Group*

*CHIPS: Technology has changed so dramatically since the inception of the Umbrella Program. Has this affected the Program vision?*

**Ms. Johnson:** I don't think it has changed the vision. Our charter, drawn up in 1988, was based on assisting the Department of the Navy make more efficient use of IT and IT dollars spent. Since that time, we have migrated efforts to the DoD level. Our mission is the same, but we are working hard to do it better, to buy smarter, ensure a positive return on investment, reduce procurement times and cost, promote standardization and interoperability, and mitigate the risks associated with acquisition for the government. We are now engaged in making that happen for the federal government in our role in SmartBUY. [See Mr. Groce's SmartBUY article on page 14.]

**Mr. Groce:** I agree that the vision has not changed. However, there have been recent initiatives that are changing the way Navy and Marine Corps customers procure their information technology. These include the DoD Enterprise Software Initiative (ESI) and the SmartBUY program. The ESI is a joint initiative, established in June 1998, to streamline the acquisition process and provide best-priced, standards-compliant software products to DoD customers and authorized DoD contractors. In September 2001, the ESI was approved as a "quick hit" initiative under the DoD Business Initiatives Council (BIC). SmartBUY is an initiative of the Office of Management and Budget (OMB) announced on June 2, 2003, and it is being worked through the Federal CIO Council. The General Services Administration (GSA) is the SmartBUY Executive Agent.

Both initiatives seek to consolidate the purchasing power of the federal government by focusing volume requirements to obtain optimal pricing and preferred terms and conditions for widely used commercial software. As Barbara mentioned, the IT Umbrella Program is supporting both initiatives. The IT Umbrella Program will continue to perform Software Product Manager (SPM) duties for assigned product categories under ESI. And the IT Umbrella Program will assume a similar role in support of ESI under SmartBUY.

*CHIPS: What is the average procurement time from when a customer places an order until he receives his purchase?*

**Ms. Johnson:** It really varies on the vendor chosen. Some vendors have items in stock, others build per order. We have had desktops come in anywhere from two to seven days, servers can take up to 30 days. Most of our vehicles have a 30-day delivery schedule, but typically a lot of them are much shorter than that.

**Mr. Groce:** The primary contract vehicles we use for the ESI are based on GSA Schedules. We rely on the IT Umbrella Program

**T**he Department of the Navy Information Technology (DON IT) Umbrella Program was chartered in 1988 by the Assistant Secretary of the Navy for Financial Management. In his chartering letter, he delineated the benefits of using a Department-wide acquisition strategy with "umbrella contracts" to reduce procurement time and costs, achieve substantial discounts and promote cost-effective standardization.

But the Umbrella Program origins can be traced to September 1983 for this historic Joint Service program, according to Bob Green, Special Assistant for Applications and Data Management, Department of the Navy Chief Information Officer (DON CIO). Bob said, "It was during September 1983 that the first in a series of Joint Navy-Air Force contracts was awarded. This contract was an Indefinite Delivery Indefinite Quantity (IDIQ) requirements contract for 8,500 Zenith Z-100 desktop microcomputer systems running an early version of MS-DOS. This contract was so popular that before the contract ended, over 36,000 desktop computer systems were purchased. The Small Computer Requirements Contracts (SCRC) grew out of the success of the Z-100 contract, and follow-on contracts were awarded for Tempest desktop systems (Z-150), Portables (Federal Data Corporation's "Chameleon"), the Desktop Follow-On Contract for the Z-248, IT Services (still exists as the ITSS BPA), the PC-LAN Contract and the billion dollar Super Minicomputer Contract."

These contracts successfully brought desktop computing to Navy users. The Department of the Navy purchased over 140,000 units from the Z-248 contract. Since that time the number of Navy IT acquisitions has grown exponentially as the DON systematically automated business and operational processes, and built a standardized, flexible architecture for an increasingly sophisticated technology for its tactical and non-tactical operations.

Currently the Umbrella contracts offer a full range of IT services and solutions to meet any requirement including software, hardware, network products, information assurance, project management, security engineering, data warehousing, training, consulting and research for tactical and business operations.

Please go to page 48 for a list of Umbrella Contracts.

**[www.it-umbrella.navy.mil](http://www.it-umbrella.navy.mil)**

and the other SPMs to monitor performance under the Enterprise Software Agreements (ESA).

*CHIPS: In talking with Jim Clausen (OASD (NII)/DoD CIO and ESI Working Group Co-Chair), he said that when deciding on which IT products to pursue for contract negotiations, the DoD strategy is to "follow the money" and monitor what DoD IT consumers are purchasing. Does the Umbrella Program follow this strategy?*

**Ms. Johnson:** We work very closely with Mr. Clausen's office and that is our strategy as well — how we put a vehicle in place.

**Mr. Groce:** Correct. The ESI Working Group does not determine requirements. This is the responsibility of the end-user who selects the product based on architecture, interoperability and other requirements. However, we track demand and would ask customers for a forecast of their deployment requirements when available. These requirements could be used to establish an Enterprise Agreement. The team targets common-use commercial software products. Before engaging one or more software resellers in discussions, the team first works with the software publisher to understand their pricing and licensing model, including terms, conditions and product use rights. We also consider the DoD installed base of their software. This helps validate demand and can provide additional leverage so that the installed base of software can be "grandfathered" into the Enterprise Agreement.

*CHIPS: How does the Umbrella Program fit into the DoD and DON acquisition strategy?*

**Ms. Johnson:** The Umbrella team, which is made up of several organizations: SSC San Diego, SSC Charleston Technical Specifications and Acquisition Branch (Code J645), Naval Inventory Control Point (NAVICP) Mechanicsburg, Naval Air Systems Command (NAVAIR) Patuxent River and Naval Undersea Warfare Center (NUWC) Newport, works very closely with the DoD and DON in the Enterprise Software Initiative and MID-905 [Management Initiative Decision (MID) 905 Commercial Off the Shelf (COTS) Information Technology/National Security Systems (IT/NSS) Software Action Plan]. We try to determine the requirements and, how we can best service the majority of customers by establishing acquisition vehicles that meet those requirements. We also participate in the IT Corridor Working Group where the ITEC Direct Information System ([www.itec-direct.navy.mil](http://www.itec-direct.navy.mil)) is the Navy's implementation of e-commerce.

**Mr. Groce:** As I previously mentioned, the IT Umbrella Program serves a critical role as SPM for assigned ESI product categories. This includes Enterprise Resource Planning (ERP) and office systems, which include the entire Microsoft product line, Section 508 tools and CAC middleware. SPM duties are established in a Defense Guidance and Policy memorandum that we have posted to the ESI Web site ([www.don-imit.navy.mil/esi](http://www.don-imit.navy.mil/esi)). These duties include collecting and validating requirements, implementing or facilitating Component asset management procedures to track and manage acquired software rights and managing the resulting Enterprise Agreements. The IT Umbrella Program also provides a "storefront" for the Defense customer through the Information Technology Electronic Commerce Direct (ITEC-Direct) online catalog.

*CHIPS: Is there a group of contracting officers at the NAVICP, for example, who just focus on the Umbrella contracts?*

**Ms. Johnson:** There isn't really a specific group of contracting officers at the NAVICP "dedicated" to the Umbrella Contracts, they do have other assignments. But the NAVICP office has awarded all the recent ESI agreements because of their close proximity to Floyd's office and the DON CIO and their historical expertise in these types of awards.

**Mr. Groce:** While the contracting professionals do provide IT contracting for other customers, the ESI incorporates a best practice to improve the software acquisition system by use of contracting professionals with expertise in licensing of commercial software. For this reason, responsibility for negotiating Enterprise Agreements is assigned to offices with demonstrated specialized knowledge and expertise. This also permits the collection of lessons learned from each Enterprise Agreement negotiation to be captured for future reference.

*CHIPS: Can you discuss some of the successes of the Umbrella Program, I know early successes were the Desktop I and II contracts.*

**Ms. Johnson:** Right, those came in at the very beginning, my history with the Program began in 1994. We consider our work with the DoD ESI a huge success, because there has been substantial savings to our customers in teaming with the ESI. By working within the ESI we have leveraged our advantage in working very closely with the other DON and DoD organizations within the ESI: the Air Force, Army, DISA, DLA, DIA ... all the major DoD Components. We each have areas of expertise where we take the lead in certain types of procurements, for example, the Navy is the designated lead for Office Automation and Enterprise Resource Planning; the Air Force has the lead for Information Assurance (IA) Tools, Enterprise Management and Records Management; the Army has the lead for Business & Modeling Tools, Collaboration Tools, Database Management and Enterprise Architecture Tools; and DISA has the lead for Operating Systems. By working closely we are able to aggregate requirements and achieve greater discounts in partnering with industry. We also can avoid duplication of effort and concentrate on our area of expertise. We are able to assist organizations in smarter procurements — and we now treat software as an asset, similar to hardware management.

CHIPS and the Connecting Technology Symposiums are very important successes. These two projects bring information to the warfighter. CHIPS with an online and hardcopy circulation of over 500,000 and CT hosting 1,500 visitors per show, certainly are impressive accomplishments within the Umbrella Program. Some of the awards the Program has received are:

2000 - DON Competition and Procurement Excellence Award for Outstanding Contribution to the Promotion of Competition and Innovative Procurement - DON Enterprise Licensing Team

1999 - DON Competition and Procurement Excellence Award for Outstanding Contribution to the Promotion of Competition and Innovative Procurement - Voice, Video and Data (ViViD Contracts)

1997 - Senate Productivity and Quality Award, Medallion of Excellence - SuperMini Contract (Now expired)

1997 - Hammer Award for Reinventing Government and Cutting Red Tape - TAC BPAs

Also the ESI Model and strategies that we help put in place for establishing DoD vehicles have now become the model for the

***“Standards-based ordering vehicles, technical support for products throughout the life of the contract, integrated logistics support (ILS), e.g., extended warranty periods, customer support help desks, spare parts, and OCONUS support are all truly some of the “best value” features for Umbrella Contract customers.”***

***- Barbara Johnson, DONIT Umbrella Program Manager***



SmartBUY initiative that you will be hearing more about from Floyd.

**Mr. Groce:** The desktop procurements starting in the early 1980s demonstrated the benefits of aggregating IT buying across the DoD. The ESI is leveraging the expertise of the Program Offices that manage DoD-wide IT contract vehicles, such as the DON IT Umbrella Program, the Army Small Computer Program, the Air Force Standard Systems Group and DISA. This cross-Component collaboration is proving very successful. I would also like to add the following ESI awards to Barbara's list:

1999 - GSA Information Resources Management Conference (IRMCO) Award

2000 - Defense Acquisition Executive (DAE) Certificate of Achievement Award

2003 - FOSE/Federal Leadership Council Showcase of Excellence Award Finalist

**CHIPS:** *How do you monitor customer feedback and resolve problems that customers may have with a particular vendor? How do customers contact you?*

**Ms. Johnson:** Customers contact us directly through e-mail from the Umbrella Web site ([www.it-umbrella.navy.mil](http://www.it-umbrella.navy.mil)), the ITEC Direct Web site ([www.itec-direct.navy.mil](http://www.itec-direct.navy.mil)) or they can telephone the ITEC Direct Help Desk (619.524.9644) with problems or questions. Our office does Contractor Performance Assessment Reports (CPARS) for IDIQ type contracts, where we go out to a selection of customers who have used these vehicles and ask them to evaluate how the contract and contractor are functioning. When we have our Program Management Reviews (PMRs) we contact customers to obtain their feedback. We also get good customer feedback from vendors.

Vendors can initiate a technical refresh so if there are products that customers want included in the vehicle the vendor can submit a proposal which we review for contract relevancy, and it may or may not be included in the vehicle. For the majority of Umbrella vehicles, technical refresh of products and services is typically on a 4- to 6-week cycle, which is to say that updated products are added and end-of-life products are removed. Customer satisfaction is one of our primary concerns, so we very much welcome feedback.

**Mr. Groce:** In addition to the methods mentioned by Barbara, the ESI Web site incorporates a communication tool that permits users to communicate with the SPM via e-mail. The tool lets the customer submit either an informal comment or question, or a more formal requirements specification. The tool sends an e-mail notification to the SPM and maintains a record of the original request and actions taken to support collection of product demand and operational metrics. We have recently extended this capa-

bility to include SmartBUY reporting. This will enable us to satisfy the requirement to coordinate targeted software acquisitions through the SmartBUY team via ESI.

**CHIPS:** *Can you discuss cost savings and value to customers by using the Umbrella Program contracts?*

**Ms. Johnson:** It is difficult to quantify total savings because our vehicles have decentralized ordering and we do not check industry pricing or the GSA Schedule at the delivery order level — that is done by the contracting office. I do know I'm safe in saying that savings have been significant. Savings vary, but are in a range of 2 (at the minimum) to 60 percent off GSA pricing. Some of the ESI vehicles have discounts above 75 percent. So if you are talking about database software or Microsoft products, etc., the discounts are in the high range. Those are significant numbers. When we put a vehicle in place, we really try to think of the small agency, which may have only 10 to 20 employees so that the small agency will receive the same (at least minimum) discount as an agency placing a large order. Of course, if you are talking about large purchases — \$100,000 and up, these customers will get a substantially bigger discount, but small agencies (small orders) will at least get the minimum discount.

Standards-based ordering vehicles, technical support for products throughout the life of the contract, integrated logistics support (ILS), e.g., extended warranty periods, customer support help desks, spare parts and OCONUS support are all truly some of the “best value” features for Umbrella Contract customers.

**Mr. Groce:** We use cost avoidance as a metric to track ESI performance. This is reported to both the BIC and the DoD CIO Executive Board. We use, as a benchmark, the associated price on the GSA schedule, other Government-wide Acquisition Contracts (GWAC) or the vendor's published catalog price. We compare this price to the price we've negotiated under the Enterprise Agreement to determine the cost avoidance.

The ESI has achieved over \$1 billion in cost avoidance over the five-year life of the program. Since all Enterprise Agreements are open for use by authorized contractors, customers in addition to those that purchase directly also share in the savings of reduced cost of software acquisition. The ESI also provides value in other areas besides cost. In addition, Enterprise Agreements include requirements to ensure products are compliant with the DoD Joint Technical Architecture (JTA) standards thereby promoting interoperability. ESI is also spearheading the implementation of Software Asset Management within the Defense Components, which should achieve savings by establishing processes to manage software as an asset throughout its life cycle.

**CHIPS:** *If a customer complains to you that his quote was not below GSA Schedule per the Umbrella Program contract or it was higher than expected can you help negotiate a lower price?*



**Ms. Johnson:** Customers can try to negotiate better terms, but if they don't have time, that is one of the duties of the Software Product Managers — to negotiate for them. The SPM would go out to all our vendors on the contract with the requirements or specific product and ask for their best price.

**Mr. Groce:** The customer should contact the SPM whenever they have questions concerning an Enterprise Agreement or when they have completed the requirements determination process and have selected a product. The SPM is usually in the best position to advise the customer. Using the ESI Web site communication tool is encouraged, and the SPM is required to respond in three business days. By the way, if our customers find better deals, we have a feedback process built into the regulations and policy. If possible, we want an opportunity to extend these prices to all DoD customers. This is because we take an enterprise view under ESI, and believe that the best discounts can be realized by consolidating our requirements and presenting a single face to industry. Defense customers should be aware of the procedural guidance in the Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 208.74. A copy is available on the ESI Web site at [www.don-imit.navy.mil/esi](http://www.don-imit.navy.mil/esi).

**CHIPS:** So you wouldn't just go to the vendor who didn't meet the contract price, you would canvass all the vendors on the contract?

**Ms. Johnson:** Right. We would open up the competition among vendors. We don't have very many "sole-source" vehicles.

**Mr. Groce:** Once a DoD customer determines their requirement, the customer must follow the DFARS guidance. All agreements are constructed for flexibility and the customer has many options when using them. Additional discounts may be obtained through "spot" price reductions and other methods. In many cases, we also try to maintain competition, so the same software products may be available from multiple resellers.

**CHIPS:** Let's talk about the features of the ITEC-Direct Web site.

**Ms. Johnson:** ITEC Direct is part of the DON acquisition strategy. The ITEC Direct Information System is the Navy's gateway to the IT Corridor for e-commerce. People can implement their own vision or version of e-commerce in one central marketplace. So we are hoping that all these initiatives lead to one of the main initiatives under MID-905 and the ESI — and that is Software Asset Management — managing software as we have traditionally managed hardware, treating software as an asset because it is an investment.

We find that people are buying licenses for the same product multiple times because licenses are not managed. In vehicles under the ESI we are making SAM a requirement so we can transfer licenses within the DON enterprise. So that if someone purchases a license that he no longer needs, we can find a use for that product within the enterprise. We have been successful so far in doing that with Oracle database licenses. We had people purchase licenses at a better than 64 percent discount and they were not going to use this product any longer. We have been successful in finding another home for those licenses. The agency that needed the Oracle database didn't have to purchase licenses — they could just pick up the maintenance costs. So that is saving a lot of money. We hope this doesn't happen too often, but if it does we have a method to transfer DON assets to where they are needed.

**Mr. Groce:** ITEC-Direct will continue as an e-commerce tool supporting both the IT Umbrella Program and the ESI. In addition, because the DoD ESI primarily uses Blanket Purchase Agreements (BPAs) under the GSA Schedules for establishing Enterprise Software Agreements, the ESI has reached agreement with GSA for creation of an additional storefront for our Enterprise Software Agreements called the Virtual IT Marketplace, or VITM. This "catalog within a catalog" uses the GSA Advantage infrastructure to provide "point and click" comparison shopping. The VITM will provide access to ESI products and services and will have the same capabilities as GSA Advantage. The VITM is now operational and may be accessed through the GSA Advantage Web site or directly at [www.vitm.gov](http://www.vitm.gov). ☐

## Adobe Contract Announcement

The Enterprise Software Initiative (ESI) is pleased to announce the award of a new Enterprise Software Agreement (ESA) for Adobe products. A Blanket Purchasing Agreement (BPA) was awarded to ASAP Software on September 12, 2003, under BPA N00104-03-A-ZE88. Based on Department of Defense purchases on the previous BPA, the DoD community has qualified for discounts up to 13 percent off Adobe's highest GSA discount level (Level F).

The ASAP point of contact for this vehicle is David Beale. The Software Product Manager is Linda Greenwade. Ordering for this BPA expires September 30, 2005. Additional awards for Adobe vehicles are expected in the near future. Please go to the DON IT Umbrella Web site ([www.it-umbrella.navy.mil](http://www.it-umbrella.navy.mil)) or the ITEC Direct Web site ([www.itec-direct.navy.mil](http://www.itec-direct.navy.mil)) for more information.

## Thanks, I needed that!

The DON IT Umbrella Program proudly announces the completion of phase 1 of the newly unveiled Umbrella Program Web site — [www.it-umbrella.navy.mil](http://www.it-umbrella.navy.mil). Doris Bohenek, Umbrella Program technical specialist and Tony Virata, Umbrella Program Webmaster, have just completed phase 1 (a major structural and design change) of a multiphase project, which focuses on providing:

- ◆ A more intuitive Look-and-Feel Web site that is easy-to-use and navigate
- ◆ New Categories — FAQs, News Archives and more...
- ◆ News Bulletins
- ◆ Up-to-the-minute contract information

In phase 2, they plan to begin stuffing the pull-down menus chock-full of news you can use to make informed and cost-saving IT purchases, adding In-depth Product Reviews from IT technical experts, search capability across multiple contracts and a customizable layout tailored to a user's preference.

Visit today and let us know what you think — [www.it-umbrella.navy.mil](http://www.it-umbrella.navy.mil). We think you'll like our new look and features and agree, "Thanks, I needed that!"